

2008-2009 PERFORMANCE PLAN – Portfolio Manager, Fixed Income (T. Smith)

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Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
30%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal – CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
20%	CalPERS Internally Managed Corporate Bonds	Net of Fees, excess return in basis points relative to: Internally Managed Corporate Bond Portfolio – CalPERS Corp X Sov {SN5KA1 – CALCOXS2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
10%	High Yield External Managers	Net of fees, Excess return in basis points relative to: Aggregate of the external High Yield Managers – CalPERS High Yield Cash Pay {SWXCA1 – CALHYCP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
25%	Other Managed Fixed Income Funds	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> (15%) Lehman Ag Credit Portfolio – Lehman Ag US Credit Index {SKA6 – QF1D} (10%) Total Lehman Ag Portfolio – Lehman Ag US Index {SK1DA1 – XSLD} 	0 basis points = 0 +30 basis points = 1.0 +45 basis points = 1.5 0 basis points = 0 +30 basis points = 1.0 +45 basis points = 1.5
85%	Subtotal	Quantitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<i>Human Resources staff is working with the Interim Chief Investment Officer to develop the qualitative leadership performance measures which will be presented for second reading.</i>	From Schedule
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	